Agenda

1. District Profile and Achievements

2. Types of Budgets

3. Operational Budget Funding – how we are funded and funding for 2014/15

4. Operational Budget Expenses – how we spend our funding

5. Cost Pressures for 2014/15

SCHOOL DISTRICT 43 Coquitlam

Learning for a Lifetime

Coquitlam Board of Education

2014/2015
Budget Presentation

April 1, 2014
Townhall Meeting

SCHOOL DISTRICT 43 Coquitlam
Learning for a Lifetime

School District No.43

- Serves the communities of Coquitlam, Port Moody Port Coquitlam, Anmore and Belcarra.
- Contains 5.8% of provincial enrolment, which is approximately 31,000 students.
- 3rd largest school district in the province
- Schools
  - *45 Elementary*
  - *13 Middle*
  - *10 Secondary (inc. CABE)*
  - *Other alternate and alternative schools*

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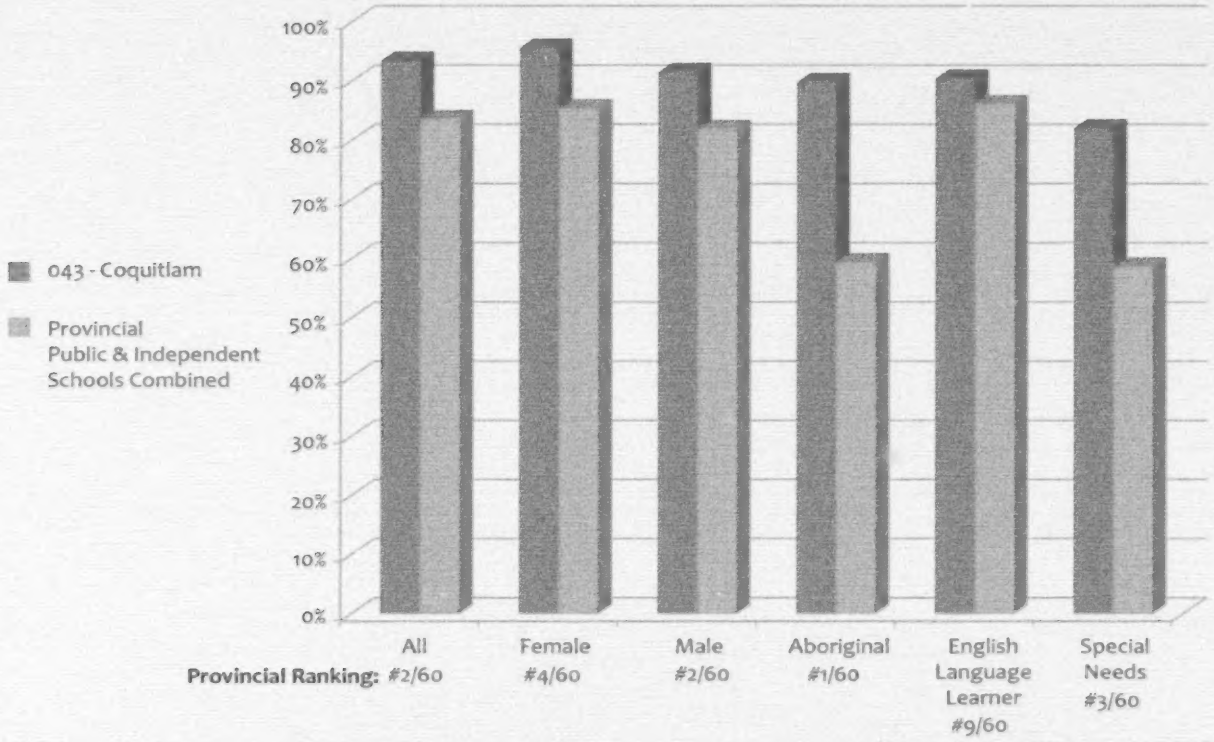
Program Delivery

The Coquitlam School District has embraced individualized learning through expanded programs of choice and alternative educational offerings including:

International Baccalaureate	Internationally recognized university-level course credit program
Montessori	Programs throughout the district place emphasis on individual student choice in learning
Reggio	Encourages children and their teachers to explore, question, discover
Coquitlam Open Learning	Online and blended secondary-level courses leading to graduation
Inquiry Hub	Challenges secondary students to frame learning activities around inquiry questions by blending online and classroom activities
Suwa'lkh	Culturally relevant curriculum to support Aboriginal and non-Aboriginal students through unique learning opportunities
Encompass	K-9 and 10-12 program options blending home and school-based learning opportunities
SWIS	School-based settlement services for families new to Canada
Continuing Education	Adult course offerings leading to graduation or post-secondary
ELSA	English Language Services for Adults

Achievement Levels

Student achievement results show performance significantly above both the national and provincial norms on almost every measure. Our goals are focused on helping our students to acquire a series of attributes to help prepare them for the uncertainty of life in the 21st Century. These include helping students to become
Learners, Thinkers, Innovators, Collaborators, Contributors.



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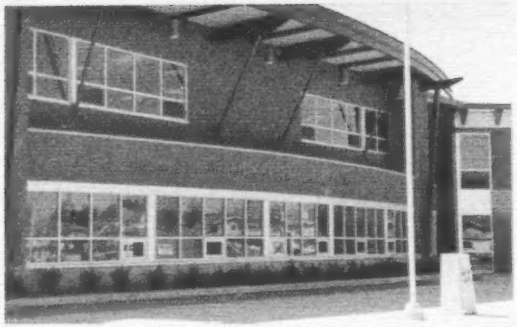
Types of Budgets



Capital Budget

- Buildings
- Fields
- Infrastructure

Operating Budget

- Learning
- Teaching
- Programs
- Administration

Special Purpose Funds

- Specific time frame (12 month, 24 month)
- Specific function
- Examples: Learning Improvement Fund, Annual Facilities Grant, Community Link

Image source: http://wpmedia.business.financialpost.com/2014/01/money.jpg?w=620

Funding

- The vast majority of school funding comes from provincial grants through the Ministry of Education.

- The Coquitlam School District derives additional revenue from a strong international education program, Learning Innovation Network (LINC), continuing education, rental of facilities, investment income, etc.

- The operating budget in 2014/15 is expected to be $270 million.

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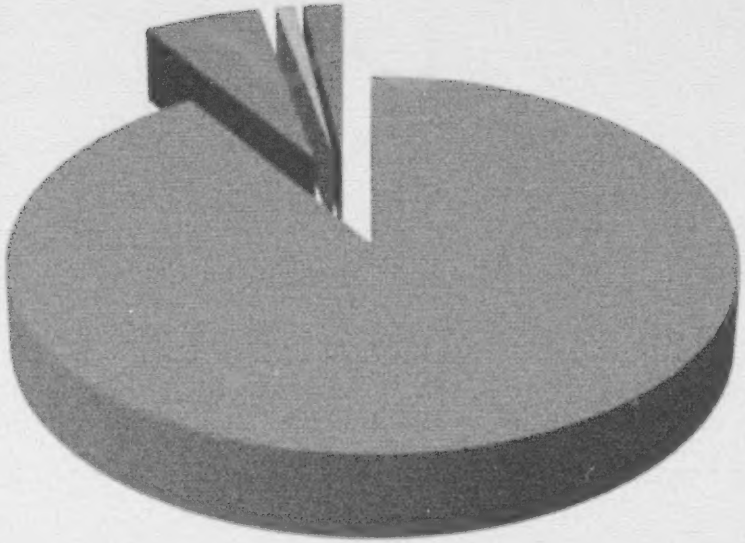
2014/15 Budgeted Revenues By Source



- Ministry of Education $248.5 M = 92%
- International Education $16.5 M= 6%
- Continuing Education $1.6 M = 0.6%
- Other Fees & Revenue $3.1 M = 1%

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Provincial Funding

- There is no increase in operating grants for the educational system for the 2014/15 year.
- Provincial funding for education has not kept up with inflation.
- 39 school districts are reporting declining enrolment and therefore they receive funding protection, that is funding supplements of $39.5 M.
- This translates to the Coquitlam School District "redistributing" $2.26M for the 2013/14 year to school districts with funding protection.

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Grant Funding Comparisons

- When comparing total grants* Coquitlam falls short of the Provincial average. For 2013/14:
  - Provincial Average = $7,570 per student
  - Coquitlam = $7,025 per student
- On this basis Coquitlam ranks 56 out of 60 school districts (or 4th lowest in funding) and within $5 of the lowest ranking school district.
- Larger school districts tend to receive less funding per student. Out of the 19 school districts below the provincial average for funding, 16 of these are in the top 20 by size.

*Excludes special student needs and teacher salary differential from the student grant calculation.

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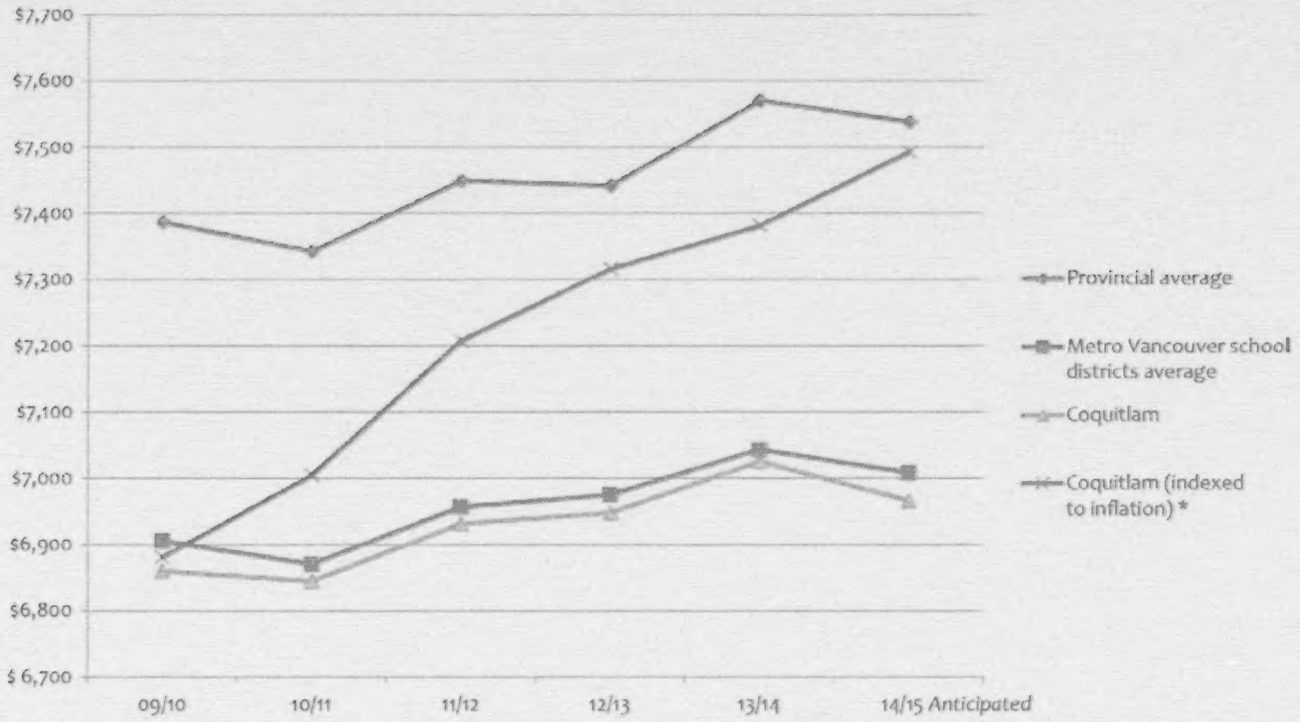
Rates of Funding and Inflation



** inflation reflects the Consumer Price Index, for 2014/15 the 5 year average inflation was applied.*
Note that Ministry of Education funding for 2014/15 is based on current figures provided by the Ministry.

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Rates of Funding and Inflation

- When comparing total grants* Coquitlam will see a decrease next fiscal year as will the Provincial average. For 2014/15:
  - Provincial Average = $7,538 per student
  - Coquitlam = $6,966 per student
- If total grants had kept up with inflation since 2009/10, Coquitlam would have received $7,492 per student.
- The difference of $526 per student for 2014/15 between what is expected and the amount adjusted for inflation is significant. Considering a population of approximately 31,000 students, there is a funding shortfall of $16.3M.

Excludes special student needs and teacher salary differential from the student grant calculation.

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Placing Instruction First

- The Coquitlam School District has always placed students at the forefront of decision making when it comes to budgets.

- The District spends more of its budget on Instruction and less on Administration compared to the provincial average across School Districts.

- The Coquitlam School District's long standing commitment to protecting learning in the classroom is evidenced by looking at where we spend our staffing dollars. The District is staffed significantly under the provincial average in all categories except teachers.

SCHOOL DISTRICT 43 Coquitlam

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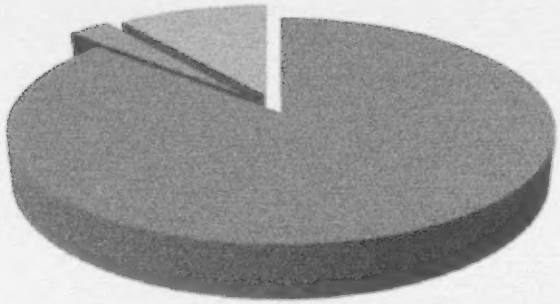
School District Operating Expenditures 2013/14 Budget

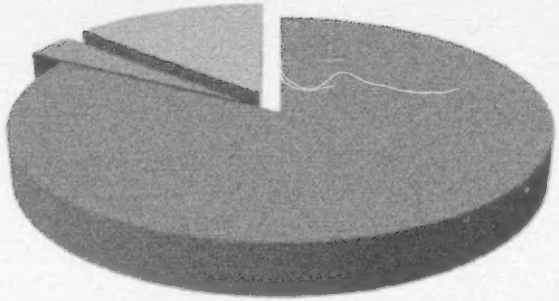
Coquitlam

- Instruction 86.58%
- District Administration 2.89%
- Operations, Maintenance and Transportation 10.53%



Provincial Average

- Instruction 83.20%
- District Administration 3.34%
- Operations, Maintenance and Transportation 13.46%



SCHOOL DISTRICT 43 Coquitlam

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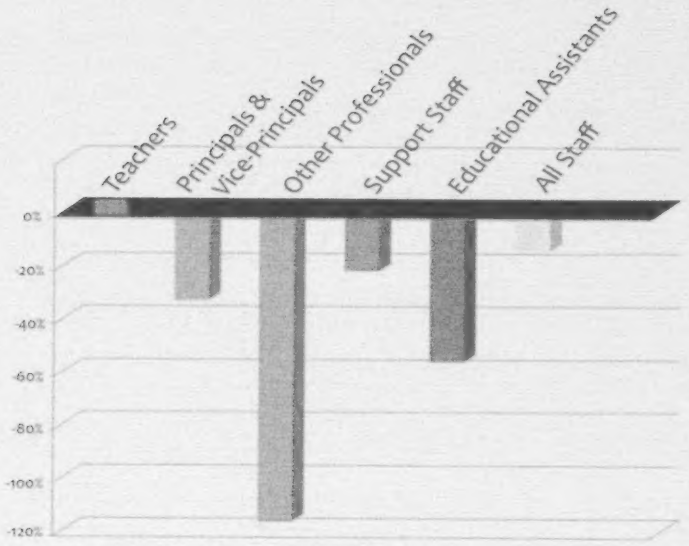
Staffing Ratios – Coquitlam School District vs Provincial Average



Staffing Comparision	Coquitlam Staff (Full-time equivalent)	Provincial average (student:staff member)	Coquitlam School District (student:staff member)	Variance
Teachers	1,744.09	17.48	17.39	0.53%
Principals & Vice-Principals	110.50	206.75	274.49	-32.77%
Other Professionals	44.00	318.87	689.35	-116.19%
Support Staff	515.03	48.43	58.89	-21.60%
Educational Assistants	346.74	56.14	87.48	-55.81%
All Staff	2,760.36	9.65	10.99	-13.87%

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Salary vs Non-salary Budget

- The vast majority of the Coquitlam School District's operating budget, 91%, is spent of salary and related benefit costs. This is higher than the provincial average of 88.7%.

- School districts have different benefit packages. The Coquitlam School District is required to spend 21.45% of its operating budget on benefits compared to the provincial average of 17.9%.

- The Coquitlam School District spends 8.9% of its operating budget on non-salary (ex. supplies, transport, etc.) as compared to the provincial average of 11.3%.

SCHOOL DISTRICT 43 Coquitlam

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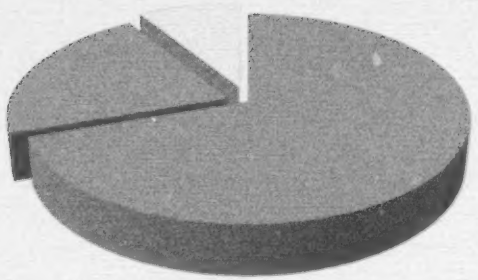
School District Operating Expenditures 2013/14 Budget

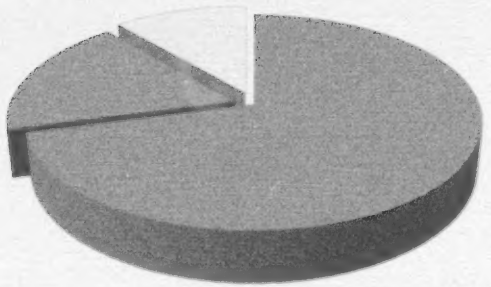
Coquitlam

- Salaries 69.67%
- Employee Benefits 21.45%
- Supplies & Services 8.88%



Provincial Average

- Salaries 70.83%
- Employee Benefits 17.90%
- Supplies & Services 11.27%



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Cost Pressures 2014/15

- The Coquitlam School District is facing rising costs in 2014/15 while funding from the Ministry of Education will not rise to help offset these.

- The School District has no choice to avoid the vast majority of these costs as they are required due to contractual, legislative, inflationary, or regulatory requirements.

- The combination of increased costs and decreased revenue results in the District facing a deficit of $13.4 M in 2014/15.

SCHOOL DISTRICT 43 Coquitlam

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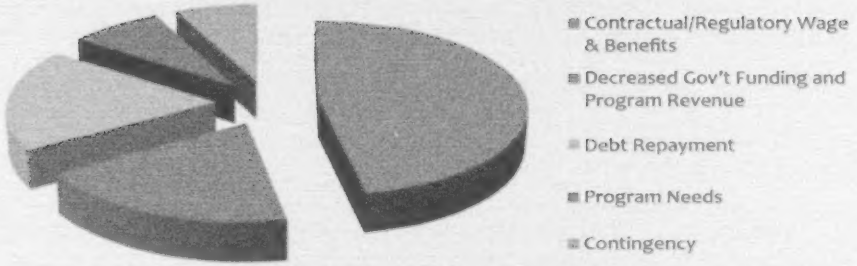
Major Sources of Cost Pressure 2014/15



Cost Categories	Percentage of 2014-2015 deficit	Dollar Amount
Contractual/Regulatory Wage & Benefits	47%	$6,278,969
Decreased Gov't Funding and Program Revenue	19%	$2,614,719
Debt Repayment	19%	$2,500,000
Program Needs*	8%	$1,127,078
Contingency Fund**	7%	$900,000
TOTAL DEFICIT FOR 2014-2015		**$13,420,766**

**Program Needs include items such as Educational Assistants for high-need students, IT server costs, increased legal fees, classroom equipment, etc.*
*** Recent forensic audit requires a contingency fund for 2014-2015 cost increases and unexpected costs. The proposed contingency fund represents 0.33% of the operating budget.*

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Decreased Government Funding and Program Revenue

Decreased Government Funding and Program Revenue

Grant Income	(1,891,061)
Continuing Education	(709,000)
International Education	(287,908)*
Rental and Interest Income	273,250
	(2,614,719)

* The International Education Program contributes significant revenues each year to the Coquitlam School District. Final outcomes will be realized in September 2014. As recommended by our auditors, we are adopting a conservative approach by projecting for 2014/15, gross revenues at $16.5M as well as a possible decrease in net revenue of $288K.

SCHOOL DISTRICT 43 Coquitlam

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Contractual, Regulatory, Wage and Benefits Increases

Teacher's salaries and benefits	$1,350,000
CUPE wage increase and benefits	991,000
Employee future benefit plan increases	700,000
Staffing for new Eagle Mountain School	661,174
Utilities rate increase (Hydro and Fortis)	625,000
CPP/ EI/ MSP/ WCB cost increases	472,610
Restoration of cost savings from 2013/14 which resulted from delayed staffing	405,000
School supplies budget provision	350,000
Increase in substitute costs	250,000
New provincially mandated student software	225,000
Telephony/ Transport/ Insurance/ Health and safety cost increases (ex. First aid certification)	187,460
Sports field cost increase due to usage - municipal agreements	61,725
	$6,278,969

SCHOOL DISTRICT 43 Coquitlam

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Program Needs

Restoration of Communications/ Food Services/ Principal positions after hiatus/ new Finance position per audit	$351,578
Educational assistants for high need students	350,000
Equipment to support classrooms	127,500
Legal fees increase	100,000
Resources for vulnerable children	60,000
Rental clerk to support rental revenue increase	60,000
Trades and transitional programming	50,000
Election costs - facilities costs	25,000
DPAC funding increase	3,000
	$1,127,078

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Debt Repayment and Contingency

Debt Repayment	$2,500,000
Contingency	900,000 *
	$3,400,000

** Contingency represents funds set aside for unexpected events. The proposed contingency fund represents 0.33% of the operating budget*

SCHOOL DISTRICT 43 Coquitlam

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Operating Budget Summary

	2014/15 Preliminary Budget	2013/2014 Projected Outlook	Variance
Operating Grant	$ 248,593,165	$ 250,518,250	$ (1,925,085)
Other Fees and Revenue	23,464,611	23,791,361	(326,750)
Total - Revenue	**$ 272,057,776**	**$ 274,309,611**	**$ (2,251,835)**
Salaries	195,739,251	191,954,523	3,784,728
Benefits	59,926,148	58,535,538	1,390,610
Total - Salaries and Benefits	**$ 255,665,399**	**$ 250,490,061**	**$ 5,175,338**
Services	5,292,384	4,968,476	323,908
Student Transportation	1,321,138	1,271,138	50,000
Supplies	8,570,358	7,820,673	749,685
Utilities	5,982,725	5,307,725	675,000
Insurance/ Leases/ Fees/ Professional Development	5,246,538	4,951,538	295,000
Total - Supplies and Services	**$ 26,413,143**	**$ 24,319,550**	**$ 2,093,593**
Total - Expenses	**$ 282,078,542**	**$ 274,809,611**	**$ 7,268,931**
Total - Current Period Deficit	$ (10,020,766)	$ (500,000)	$ (9,520,766)
Prior Period Deficit	500,000		
Contingency	900,000		
Debt Repayment	2,000,000		
2014/15 Deficit	**$ 13,420,766**		

SCHOOL DISTRICT 43 Coquitlam

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Budget Challenge for 2014/15

- Throughout the budget process, the Board of Education will seek to maintain a sustainable organization which is built on our past successes.

- There is a need to balance the multiple interests of all stakeholders with the need to maintain a balanced budget under the *School Act*.

- Through our budget process, we want the community to be involved by sharing ideas on how to meet our budget challenge. These ideas will be considered carefully by the Board in making budget decisions.

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